MARKETING AND MANAGEMENT PLAN OF BANK AL FALAH LIMITED

بسم الله الرحمن الرحيم

BANK AL FALAH

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DEDICATED

TO OUR PARENTS

WHO ALWAYS

LOVE US

& all those who have a

Soft corner for US in their

Hearts

Acknowledgement

All gratitude and thanks to almighty ***"ALLAH"*** the gracious, the most merciful and beneficent who gave us courage to undertake and complete this task. We are very much obliged to our ever caring and loving parents whose prayers have enabled to reach this stage.

We are grateful to almighty **ALLAH** who made me able to complete the work presented in this project. It is due to HIS unending mercy that this work moved towards success.

We are highly indebted to our course instructor **Mr. ATTIQE-UR-REHMAN** for providing us an opportunity to analyze the brand like "**Bank Al-Falah"** which is vital ingredient of MBA program. We are very great full to our teacher **Mr. ATTIQE-UR-REHMAN** for providing us guideline for the completion of this project.

We feel great pride and pleasure on the accomplishment of this project.

EXECUTIVE SUMMERY

A successful market, marketing and product strategy is critical today's rapidly moving high-tech market. Companies need to take a new technologies or ideas and develop a complete product that addresses a customer need and a viable market, as well as executive flawlessly on bringing it to market.

In this report we have tried to cover the marketing strategies by Bank Al Falah. Bank Al Falah was in corporate in June 21st, 1997 its banking operations started from November 1st, 1997. The bank engaged in commercial banking and related services. The bank is currently operating through223 branches.

Bank Al Falah target market conceits of individual client as well as number of business organization. Bank Al Falah has segment the market on demographic, psychological and behavioral style to target maximum number of segments with different varieties of products suitable for each segment. In marketing terms this strategies in competitors is known as the “Flank Attack” &“Frontal Attack”.

In this report we have discussed the marketing plan of Bank Al Falah Limited comprising of segmentation, competitors analysis, positioning marketing mix carried by the Bank Al Falah. We have also briefly discussed the integrated marketing communication (IMC) being used by the Bank Al Falah to address its customers.

We have tried our best to cater the broad aspects of marketing strategies being followed by Bank Al Falah and hope that this report will help you elucidate your concepts about the strategic marketing to a greater extent.

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PREFACE

Banking sector owes a pivotal importance in the contour of any country through its vibrant functions. This is the deep seated motivator that geared up me to join any bank for internship. Moreover, the practice and familiarity learned during this tenure would also attest very helpful and alleviating in the awaiting proficient life.

Bank Al-Falah posses an imperative importance in the banking sector of Pakistan. It always remains the center of hustles in business activities. It always endows with great covenant of rally round in terms of funds and services at all epochs of its dynamism.

We made industrious efforts to converse them comprehensively in this project. Particularly, we have remunerated more accents on study of distinguishing features and services of Bank Al-Falah Limited. We have made maximum venture to elaborate this project with the material read, listened and observed.

We have strong belief that this project will guide and ease the readers to understand the operations of banking system and more prominently have good knowledge about Bank Al-Falah Limited, one of the most trusty and leading banks in Pakistan.

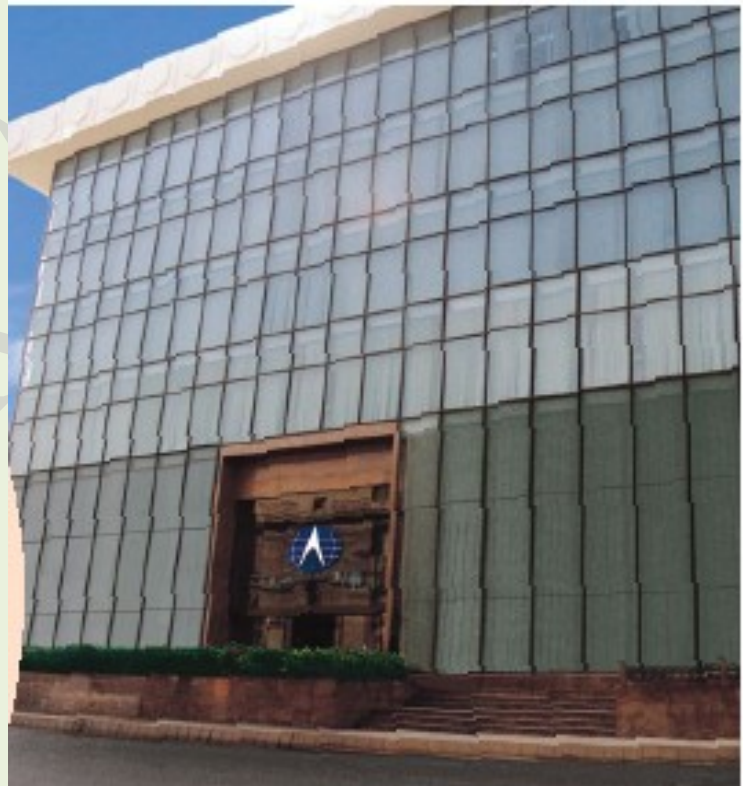
Dear readers, we hope that you will appreciate our project and sense that reading our project is not like to waste the time in any respect.

INTRODUCTION

BANK AL-FALAH LIMITED

Bank Al Falah Limited was incorporated in June 21st, 1997 as a public limited company under the Companies Ordinance 1984. Its banking operations commenced from November 1st ,1997. The bank is engaged in commercial banking and related services as defined in the Banking companies ordinance 1962. The Bank is currently operating through 223 branches in Pakistan, with the registered office at B.A.Building, I.I. Chundrigar, Karachi.

Since, its inception as the new identity of H.C.E.B after the privatization in 1997, the management of the bank has implemented strategies and policies to carve a distinct position for the bank in the market place. Strengthened with the banking of the Abu Dhabi Group and driven by the strategic goals set out by its board of management, the Bank has invested in revolutionary technology to have an extensive range of products and services. This facilitates their commitment to a culture of innovation and seeks out synergies with clients and service providers to ensure uninterrupted services to its customers.

The bank perceived the requirements of customers and matches them with quality products and service solutions. During the past five years, bank has emerged as one of the foremost financial institution in the region endeavoring to meet the needs of tomorrow as well as today. To continually upgrade the quality of

service to the customers, training of team members in all the integral aspects of banking, customer service and IT was specially focused.

The portfolio concentrates on all aspects of conventional banking as well as the financial needs of corporate sector. Dynamic and high value product includes Car Financing, Home Financing, Rupee Travelers Cheques, Credits Cards, Debit Cards, On line Banking, ATM and consumer Durables. In addition to this, Islamic Banking Division is a recent initiative, which operates as separate branch. It offers Shariah Compliant products through a network of five branches, which will increase to 50 by the year 2007. The bank is committed to combine all it s energies and resources to bring high value, security and satisfaction to its customers, employees and shareholder. The Bank has invested in revolutionary technology to have an extensive range of products and services. This facilitates commitment to a culture of innovation and seeks out synergies with client and service providers to ensure uninterrupted services to it customers.

VISION

"To be the premier organizations operating locally and internationally that provided the complete range of financial services to all segments under one roof"

MISSION

"To develop and deliver the most innovative products, manage customers experience, deliver quality service that contributes to brand strength, establishes a competitive advantage and enhances profitability, thus providing value to the stakeholders of the bank

BOARD OF DIRECTORS

H.E. Sheikh Hamdan Bin Mubarak

Al Nahayan

Chairman

Mr. Mohammad Saleem Akhtar
Chief Executive Officer

Mr. Abdulla Nasser Hawalileel Al-Mansoori

Mr. Abdulla Khalil Al Mutawa

Mr. Ikram Ul-Majeed Sehgal

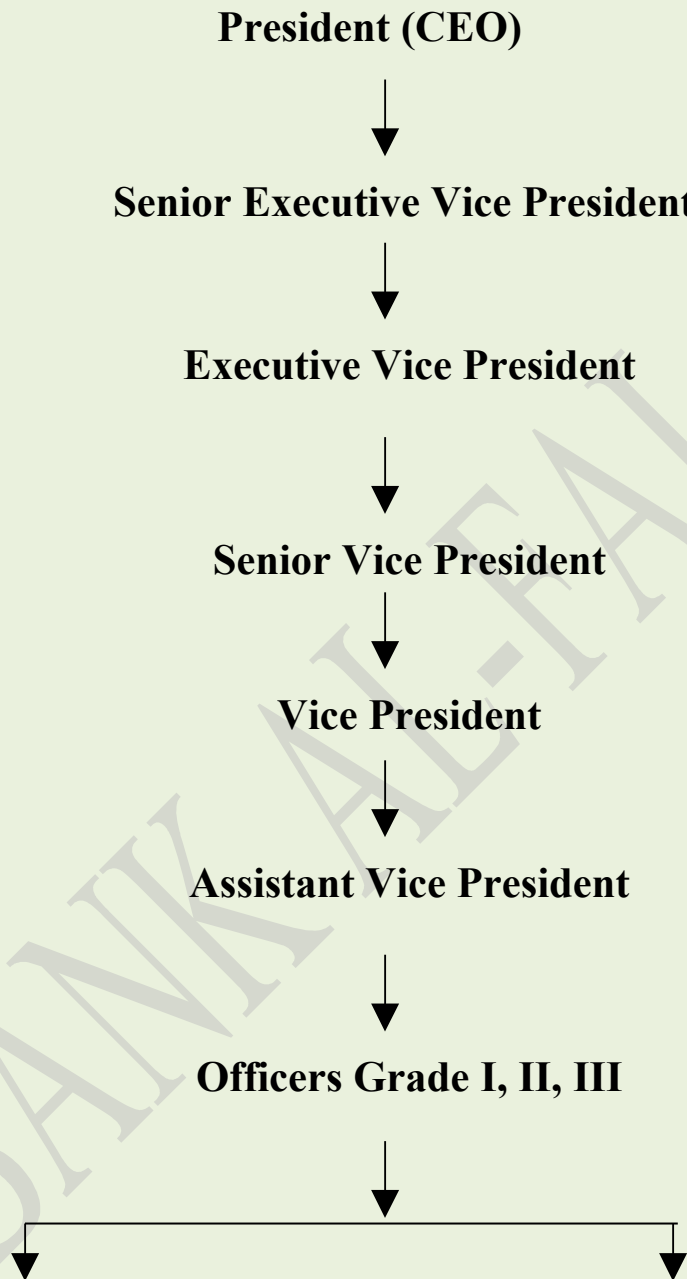
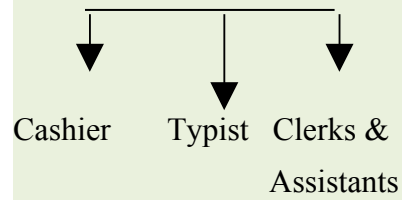
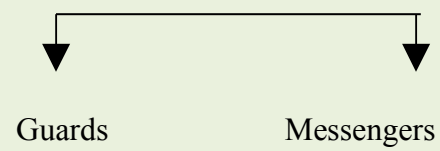
Mr.Khalid Mana Saeed Al Otaiba

Mr. Nadeem Iqbal Sheikh

MANAGEMENT

Chief Executive Officer	
Executive Incharge Strategic Planning & Global Marketing	Executive Incharge International &Treasury Division
Executive Incharge Human Resources Division	Executive Incharge IT Division
Executive Incharge Credit Division	Executive Incharge System & Operation Division.
Executive Incharge Establishment & Administratration	Executive Incharge Credit Monitoring Division
Executive Incharge Business Development Division S.A.M./ Car Finance/ Leasing	Executive Incharge Legal Affairs Division.
Executive Incharge Audit & Inspection Division	Executive Incharge Finance Division
Executive Incharge Corporate Banking, SME Financing & Home Loans	Executive Incharge Islamic Banking Division
Executive Incharge New Products & Service Quality Division	Executive Incharge Cards Division

ORGANIZATIONAL STRUCTURE

ORGANIZATIONAL STRUCTURE

Clerical Staff
Cashier
Typist
Clerks & Assistants
Non-Clerical Staff
Guards
Messengers

MANAGEMENT FUNCTIONS

PLANNING

Definition

Defines organization goals and objectives establishing overall strategies for achieving those goals. Developing a comprehensive set of plan to integrate & coordinate organization work.

Type of plan

Bank al Falah use both formal and informal type of planning

Informal

In informal planning, their planning is not written down, short term focus and specific to an organization unit

Formal

In formal planning their planning is not written down, specific long term focus & involves shared goals for an organization.

Goal/objectives:

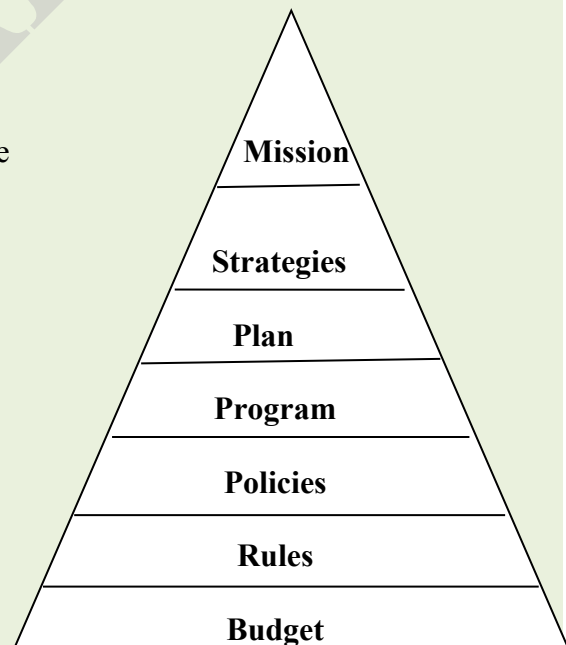
- Financial strength and profitability by making profitable advances
- Customer satisfaction by providing higher quality of service at an affordable cost.
- Growth by expanding branch network deposit base

Short term objective

- Profitability

Long term objective

- Profitability
  To optimize the use of resource

Process of planning

MISSION

To develop and deliver the most innovative products, manage customers experience, deliver quality service that contributes to brand strength, establishes a competitive advantage and enhances profitability, thus providing value to the stakeholders of the bank

STRATGIES

Strategies of Bank al Falah are giving loans and accepting deposit.

PLAN

Plan of bank al Falah are short term advance and deposit.

PROGRAMME

Program of Bank al Falah are up to one year or more then one year advance, fixed account, current account, etc

POLICIES

Policies of Bank al Falah are profitability by making profitability advance and customer satisfaction by providing best services at on affordable cost.

RULES

Their rules are depending upon by upper level of management according situation.

BUDGET

Bank al Falah always met its budget.

ORGANIZING

Manage work in organization but while is an organization?

An organization is a deliberate arrangement of people to accomplish some specific purpose.

Your banks, Universities is an organization, college, Govt. department all organization because they have three common characteristic.

First

Each organization has a distinct purpose this purpose is typically expressed in term of goal or set of goals that the organization hopes to accomplish.

Second

Each organization composed of people. One person working alone is not an organization and it takes people to perform the work that's necessary for the organization to achieve its goals.

Third

All organization develops some deliberate structure so that their member can do their work.

Purpose of organization

- Work to be done into specific jobs and department in Bank Al Falah
- Co-ordinate diverse organization task in Bank Al Falah.
- Establishes former line of authority in Bank al Falah.
- Allocates and deploys organization resources in Bank Al Falh.

LEADING

Leadership

The process of influencing a group of people toward achievement of preselected goals is called leadership.

Leader

The person who makes this purpose is who can influence other / groups of people and who has managerial authority is called leader.

The Bank Al Falah has formal way of leadership style

Traits of leader

The leader of Bank Al Falah has the following Traits & Skills in themselves.

- Decision making
- Risk taking & Risk bearing
- Stress taking & Stress bearing
- Communication Power
- Honesty
- Strong vision
- Inter personal skill
- Step forward
- Discipline
- Believe of on equality

Type of Leader

Democratic leader

The leaders, Bank Al Falah have, are the types of "Democratic". Because the major portion of bank is 'De-centralized' that's why the each leader haw the complete power of decision making, but the are working "Collaboratively" in whole organization with each other. Al leaders of bank are involved in decision making, delighting their authority to their higher qualified employees, encouraged the participation of their employees in work and gives them opportunities coaching in well manner.

Task Structure

Every leader is giving the formal/ formalizes job or task to his employees, for getting the best result. That's why the task structure also strong in the Bank Al Falah.

CONTROLING

Controlling is the process of monitoring activities to ensure that they are being accomplished as planned and of correcting and significant deviation.

Importance of control:

Control is very much important because it is the final link in the management function. It is the only way manager know whether organizational goals are being met or not and the reason why?

In Bank Al-Falah the importance of control can not be neglected because it's a services base organization and deals with finance. Every employee in this organization has direct and indirect interaction with financial activities and finance playing the key role in the progress of the bank.

Types of Control:

Following are two main types of control.

1. **Feed forward control:**

   In feed forward control problem is identified and resolved before accruing.

2. **Concurrent control:**

   In contemporaneous control problem is identified and resolved while that is accruing.

Division in Bank Al-Falah for Controlling:

Following are two divisions in Bank Al-Falah for controlling purpose.

Credit Monitoring Division; credit monitoring division monitor all the activities related to following areas,

- Credit card
- Hilal Card (debit card)
- Auto loans
- Homes Loans
- RTC
- Money Gram

Audit and Inspection Division; this division in Bank Al-Falah conduct the internal audit at the inspections of all the activities in the Bank Al-Falah to insure the accuracy of work and the performance of the bank.

Control at Supervisor and Managerial Level:

At lower level in the Bank supervisor and manager ensure the proper handling of the activities and they assign the targets to their subordinates to achieves in a given time and at those bases, they asses the performance of the employee.

PROCESS OF CONTROL

Measuring actual performance

There are two ways to measuring performance in the bank al falah.

1. **Qualitative**
2. **Quantities**

In measurement of performance employees of the organization are being measure qualitatively 40% and quantities 60%.

Comparing actual performance with standards

The comparing performance of the degree of variation between actual and standards performance.

Standards

In Bank Al Falah following standards are set to compare actual performance.

General standards

- Compliance with law
- Reasonable assurance and safeguards
- Integrity, competence, and positive attitude

SPECIFIC STANDARDS:

TEAM LEADER

In the Bank al Falah mostly every executive is working together with employer under him/her, and every manager is also working together with employer under him/her and they all are working collaboratively with each other in all the department of whole organization.

TRANSFORMATIONAL_TRANSACTIONAL LEADER

The leader of Bank Al Falah is giving guide line and direction of established goals of these followers by clarifying the rate and task requirements for the best possible unit.

That's why these leaders of bank are "TRANSACTIONAL LEADERS" but not "TRANSFORMATIONAL" leader.

GOALS & OBJECTIVES

Goals and objectives are factors through which the company's devotion and commitment to the job can be seen. If the goals are realistic and achievable, than surely that organization is doing it's job.

Bank Al Falah also has certain goals and objectives which it is trying to achieve, through it's various strategies and operations. The goals and objectives are mentioned below:

1. To create a sound base, and through efficient systems achieve modern banking through out Pakistan.
2. By the end of every accounting year there is an increase in deposits. As the deposit rate of during 2006 was approx 72 Million and the same has been increased in 2007 by 97 Million.
3. To create unit banking network in all the branches of Bank Al Falah, the end of the year. This means that all the operations of the bank, i.e. deposits to advances, imports, exports, L/C Opening, foreign currency and many more aspects under one roof, so that the customer can be facilitate in one visit.
4. Islamic Banking is one of the goals of Bank Al Falah though it has been initiated in the last fiscal year and it is very acceptable for general public. However, there is lot of work to do for successful implementation of the Islamic Banking Plan. In this regard the Bank is opening specific Islamic Banking Branch under the supervision of its Islamic Banking Division.

STRATEGIES

Bank Al Falah has formulated certain sets of strategies to enable it to achieve its goals and objectives. These strategies are mentioned below:

1. In order to achieve it's goals of creating a sound base and presence of efficient modern banking system, Bank Al Falah has started operation of Automated Teller Machines in all the major areas like Karachi, Lahore, Islamabad and other cities of Pakistan.

2. Bank Al Falah is committed to building long-lasting relationships through an assertion to service excellence and providing innovative products to meet the changing needs of our valued customers. Although still in its infancy, compared to the exalted banking standards, Bank Alfalah, backed by a strong Abu Dhabi Group and inspired by the vision of its Board and Management, has built up a strong customer base. The Bank provides a full range of banking services to corporate clients, while applying leading technologies. Today the Bank is well-positioned to provide appropriate banking services to customers.

3. The main focus is building relationships and being known by the way they do business. Management recognizes that a banking relationship requires compatibility, communication, and cooperation and that each customer deserves nothing less than full attention and available resources to meet their financial objectives.

4. Core value and corporate culture is based on the belief that superior personalized service is the most important product. Bank is in the process of getting to know customers by name and understand their business and personal financial needs. This one-

on-one, personalized service quality has served as Bank Alfalah's unique signature since inception and continues to separate it from other financial institutions.

5. The Bank Alfalah team comprises of some of the most highly skilled and professional financial experts in banking industry. Managers, lenders and trust advisors offer the unique perspective of knowing and understanding in the local economy. The Management focuses its attention on making informed and feasible economic decisions, bringing better returns and more profitability for investors and customers.

6. Keeping in view the unrest among the Islamic Community on the Interest Bearing Banking the Alfalah is in the process of target marketing and gives its full attention to this segment of a large population over the world.

7. To acquire the reputation and status of bank which operates on international standard, Alfalah Bank was to get the credit rating of Pakistan Credit Rating Agency, which gave it the AA- and A1+ in the long term and short term respectively.

SEGMENTATION
TARGETING
POSITIONING

SEGMENTATION

- **Based on three basis:**
  - Demographic.
  - Psychographic.
  - Behavioral Style
- **Demographic:**
  - Income.
  - Occupation.
  - Family Lifecycle.
- **Psychographic:**
  - Life Style.
  - Social class
- **Behavioral:**
  - Benefits.
  - Services.
  - Quality.
  - Convenience.

***TARGET MARKET*:**

Bank Alfalah target market consists of individual clients as well as a number of business organizations. Due to different market segments, BAL's different branches have their target markets.

To capture the import business in Pakistan, the targeted segments is valid markets known as business & commercial hub of Pakistan. Due to specialized services provided by BAL, and its highly competitive foreign exchange rates, most of the major importers

in this area deal with BAL. Examples include; Mughal Steel and International, New Shalimar Steel, Vellcone International, Rana Brothers etc.

As far as the individual clients are concerned, the targeted segment is posh areas like DHA.

POSITIONING:

- The distinguish place of product/service in target customer mind.
- BAL positioned itself as caring bank and customized banking. When customer thinks about Alfalah bank the following points come in his mind.
- Consumer banking.
- Easy approach to all departments.
- Felling of self respect.
- Relatedness.
- Fulfill of there dreams like (build own home, buy personal cars, etc).
- Guaranteed profit.
- Security.

All these thinks are in the customer mind. Due to Alfalah aggressive growth when ever customer think about banking sector the first bank comes in mind that would be Alfalah bank.

Alfalah bank positioned also as a fats growing .where there is a new town there would be the a branch of Alfalah provide maximum products/services under one roof .

Unique Positing:

Positing mean image of service/Product in customer mind it can be created by various attributes or qualities of product /service. BAL positioned itself by a unique way that It is in the customer mind that

- BAL is aggressive growing bank
- New town opened Alfalah reach there first
- BAL Spreads its branches at Teasel Level in Pakistan

It spreads in other countries like Afghanistan, Bangladesh

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EXTERNAL ASSESEMENT

SWOT ANALYSIS

SWOT Analysis *of Bank Al-Falah*

Strengths

Strengths are the core competencies of any organization & as far as BAL is concerned the core competencies of this organization are:

- Target Achievement
- Policies & Procedures
- Controlling Standards
- Priorities
- Rewards & Benefits
- Job Security for the Employees.
- Favorable, friendly & Healthy Working Environment.
- Documentation System is so much accurate.
- Accounting & Banking System is Accurate & Reliable One.

Weaknesses

Weaknesses are the lacking points which every organization must avoid in order to make its operational effectiveness.

- Hectic Working Environment.
- Work load.
- Lack of Self Marketing Department.
- Low Training & Coaching.
- Low incentives like bonuses overtime pay etc.
- Human Resource Department is not so much effective.
- Appraisal is not done frequently.
- Low salary packages as compared to other banks.

Opportunities

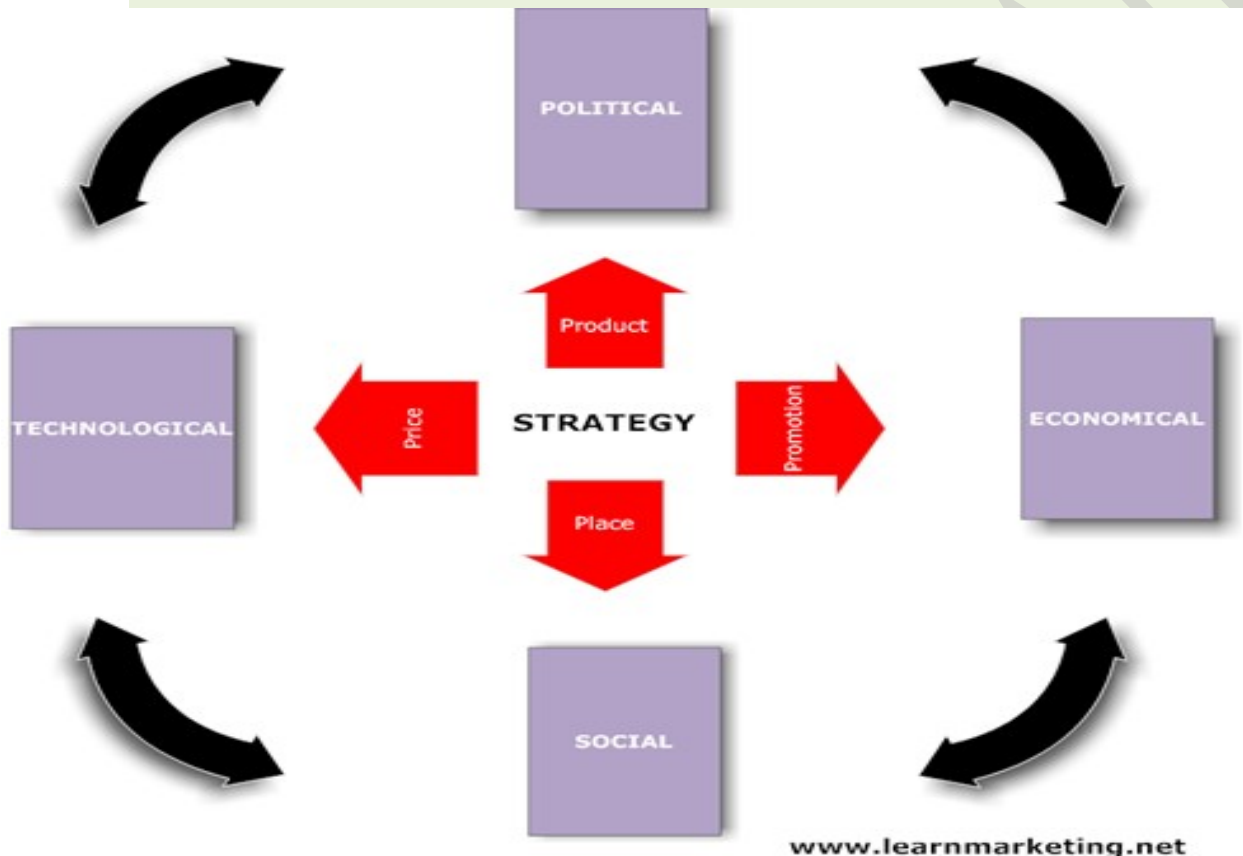
In fact, when we study all our weaknesses critically & deeply than we come to know that we can convert our weaknesses into strengths. So basically these are our opportunities. The opportunities for BAL are:

- On the job training & coaching sessions can be conducted.
- Work sharing activities should be started so that a person who is working continuously for 9 hours can get relax.
- Marketing department should be started in order to promote the name of BAL.
- Appraisal should be conducted frequently so that employees get motivated & do their work as a loyal employee.
- Attractive salary packages should be awarded.

Threats

Though Bank Alfalah has a strong footing and maintain a good number of loyal customer, still bank has threats in various sectors. When we see the possible threats for BAL, the threats are prevailing such as:

- The conventional banks those having high growth rate and high market share are always being a threat.
- There is an average not low turnover rate, mainly because of low incentives as compared to the other banks.
- Large business parties have fewer attractions in being a client of BAL-IBD, mainly because of excessive amount of documentation.

PEST ANALYSIS

POLITICAL
TECHNOLOGICAL
Product
Price
STRATEGY
Promotion
Place
ECONOMICAL
SOCIAL
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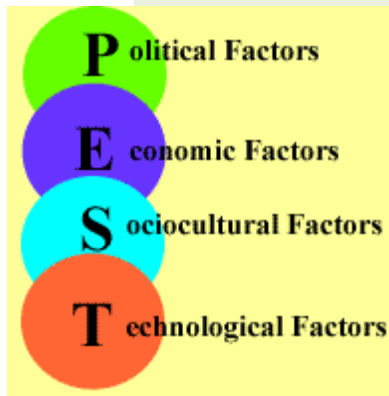
PEST Analysis

Political :

P olitical Factors
E conomic Factors
S ociocultural Factors
T echnological Factors

Analysis of Political environment is very critical and this environment has a strong influence upon the activities of any organization in a society. Political environment strongly affects the marketing decisions. The political stability of a country has its impact on the consistency of policies of local government. Pakistan has always been struggling for political stability since its creation. Government has been changing in Pakistan many times due to multiple reasons and most of the times Military has taken the charge of the government. So, there are significant political risks in Pakistan. But the positive aspect is that State bank of Pakistan has been given sovereignty and it is now an autonomous body in making its decisions. From this perspective environment becomes suitable and favorable for Islamic banking. BAL-IBD can make their strategies accordingly as there is no chance for any major Change of policies in near future.

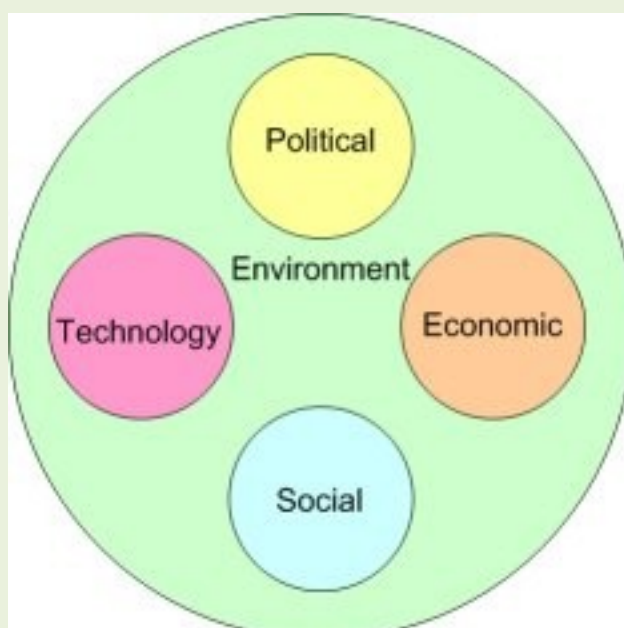
Economical

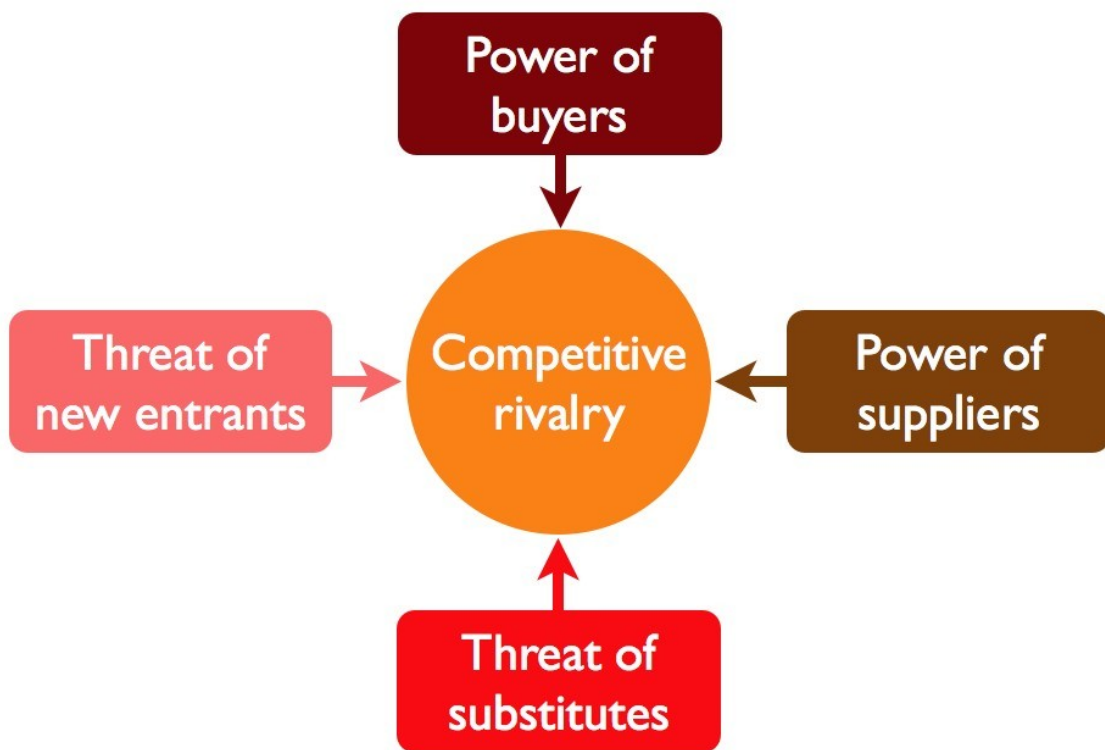
Pakistani economy is good for foreign investments and it is also good for Islamic banking sector of Pakistan. GDP rate of Pakistan is showing a consistency in upward direction and per capita income has increased as compared to past. FDI is increasing every year. Home economy is in recovery phase but it is showing good indicators for banking sector. Some transactions of Islamic banking like modaraba have been promoted by giving incentives. As Pakistani economy is showing some level of stability and consistency from last couple of years, so it's good sign for BAL Islamic banking as well.

Socio-Culture

Pakistan is situated at very important geographically location and it has a diverse culture. Islam is the religion of majority of the population and Islam has deep and ever lasting influences upon the culture of the people of the area. So, the life style of people and attitudes of consumers is favorable for Islamic banking as people are religious and they want to deal in Islamic finances. Pakistani people have a respect for their religious and cultural celebrations. BAL Islamic banking is taking an advantage of this socio-cultural environment of Pakistan.

Technological

There is lack of proper infrastructure in Pakistan, for that reason different sectors are not becoming able to cope with the technology. Banking sector has introduced a lot of innovative services with the help of technology. Islamic banking is also on its way but it is expanding slowly as compared with potential demand of Islamic banking.

PORTER

FIVE FORCES MODEL

Porters Five Forces Model

For further analysis of **Bank Al Falah** environment, Porters Five Forces Analysis is also applied on the bank. This analysis takes in to consideration the following factors:

Availability of Substitutes

Substitution of one product with another one increases the rivalry within an industry. Although perfect substitute of banks are not available in the market but people still have choices of saving or investing their money. They can either save their money at homes or put their money in the National Saving Centers (Banking Intermediaries) which give protection to their assets. Aside from saving one can invest money in stock market in form of shares / bonds or in real estate. These kinds of substitutes increase the rivalry in the banking sector.

Rivalry among existing firms

There is tough competition among various banks. As variety of public and private banks are already existing in the market, offering products on competitive prices. If we look at Islamic Banking products then, Meezan Bank, Habib Bank and many others are offering wide range of products in this sector. The tough competition among these banks gives rise to the challenges which the competitor

banks have to face. The competition among various banks increases the switching of the customers form one bank's product to the other bank.

The tables on the following pages show the total number of branches of some of the banks working in Pakistan and the various products being offered by these Islamic banking branches as compared to the Bank Al Falah.

Table 1
Branches of competitive Banks

Islamic Banks	Branches
Meezan Bank Pakistan Ltd	120
Bank Al Falah	223
Emirates Global Islamic Bank	13
Bank Islami Pakistan Ltd	30
Habib Bank	1000
Muslim Commercial Bank Ltd	900
AlBaraka Bank Pakistan Ltd	30
RBS	75

Table 2

Products offered by Competitors

Albaraka Bank Pakistan Ltd

- Current, Savings & Time Deposits
- Joint Pool Investment Accounts
- Import Financing
- Export Financing
- Working Capital Financing
- Infrastructure Financing
- Project Financing>
- Financing of other Business needs
- Murabahah (Sale/Purchase/Trading)
- Musharaka (Partnership)
- Ijarah (similar to Leasing)
- Istasna & Salam (Sale of goods at a future date)
- Investment in Sukuks (Islamic Bonds)

Bank Islami Pakistan Limited

- Islami Current Account, Islami Bachat Account
- Islami Dollar Bachat Account, islami Amadni Certificate
- Islami Mahana Munafa Account
- Leasing / Ijarah
- Islamic Export Refinance
- Letter of Credit (Sight & Usance)
- Letter of Guarantee
- Forward Cover
- Bill Purchase
- Auto Ijarah
- MUSKUN Home Financing

Muslim Commercial Bank Limited

- Al-Makhraj Saving Account
- Al Makhraj Term Deposit
- AL Makhraj Car Ijarah Concept
- Purchaisng goods on basis of Murabahah

Habib Bank Limited

- Current Accounts
- AL Habib Saving Accounts
- AL Habib Term Deposits
- Mudarbah finance
- Ijraha finance (for vehicle, machinery and equipment)

Meezan Bank Pakistan Limited

- Buy, Build, Renovate, or Replace
- Car Ijarah
- Bachat Account
- Meezan Capital Protected Fund (MCPF)

Dubai Islamic Bank Limited

Emirates Global Islamic Bank (EGIB)

- Mudaraba (Partnership) Saving Account
- Mudaraba (Partnership) Term Deposit

• Islamic Home Finance through Musharaka cum Ijara model (Home Purchase and Home Renovation) • Purchase of undivided share of property at other bank (Balance Transfer).	• Al Bait Halal house financing • Local Purchase Murabaha • Murabaha financing against Imported Merchandise (FIM)
• Auto Finance through Musharaka cum Ijara model	• Murabaha financing against Trust Receipt (MTR) • Export Murabaha (Pre-shipment)

Threat of new entrants

The banking sector of any country has always chances of growth and competition so many new banks enter and leave the market. Mostly foreign banks step in the developing countries for expanding their branches, not only this mergers between foreign and local banks take place at large scale but Pakistan's present economic condition and government instability has arose the feelings of awe and terror among most of the foreign banks to enter in the market. In future due to uncertainty and security problems in Pakistan investors will not be willing to invest here. Due to overall financial problems in the whole world new banks will not be entering in to the banking industry.

Bargaining Power of Buyers

Bargaining power of buyer is low where the products substitutes are not available and customers are large in number. In case of banks there are lots of other banks and banking intermediaries, having wide range of products, so power of buyer in banking sector is high. The bank can not force any customer to buy the desired product because this directly affects its reputation, but can convince its customers by giving them special discount or rewards. If we look at **Bank Al Falah** we will find that the competitors are also offering products due to which customer feel in power by saying that they can go to some other bank in case of dissatisfaction.

Bargaining power of Suppliers

As in banking sector suppliers does not exist so there is no bargaining power of supplier.

INTERNAL ASSESEMENT

MARKETING MIX OF BANK AL-FALAH

MARKETING MIX

4P'S

The marketing analysis of the bank focus the promotional complain the 4 P's of marketing are also vision of the bank that it uses for its marketing (called 4 P's) i.e. names of 4 P's. For more liquidity they shell be explained briefly here.

Product:

The product of Bank Al Falah are its various banking services which are following

- PLS& Non PLS Account

  (Profit loss saving accounts and non profit loss saving accounts)

- ATM Cards
- VISA Cards
- LOCKERS
- Credit Extension.

Price:

The price for various services of bank is given in the booklet "The schedule of bank charges". The prices at the bank are quite competitive with those of other bank working vertically. The Bank Al Falah try to that they give loan at low interest.

Placement:

The distribution channels are its employees who deal with customers. The bank has over 223 branches through which it offers services to its clients in different sectors like as

- Industrial sector
- Agriculture sector

- Commercial Areas
- Small Towns
- Public Organizations

Promotion:

Various promotional techniques as advertising, personal selling etc. are used the promotional strategies of the bank vary according to the market condition. However the following techniques are mostly used.

Sponsorships

- Event Sponsor
- Sports Sponsor

Sports Sponsor :

(Where there is Sports, there is Al Falah)

In the arena of sports, Bank Alfalah is actively involved in sponsoring events. Sports today not only represent healthy and clean way of life, it is big business in its own right. The sponsoring events Sponsored by the Bank Al Falah Limited in Pakistan range from Cricket Golf, Squash, Polo, and Volley ball, to Hockey. BAL uses attractive slogans to prominent

Some famous Events are.

- Al Falah Cup (Cricket)
- Bank al Falah Pakistan Squash Open
- Bank al Falah Polo
- AL Falah Cricket Triangular Series

Event Sponsor

Social Events

BAL encourages extra-curricular activities and social events that allows employee to have a social exchange outside the working environment. In this employee are encouraged to bring there family members along, giving them a chance to fell a part of BAL family network social events like;

- Picnics
- Barbeques
- Sports
- Cultural Tours

Actually they are creating a **reference group (**a group to which attached persons feel internal recognition by telling others about that group**)** and doing the marketing in terms of **Word of mouth** (The marketing that spread from one person to others in the circle of its family, friends, relatives, neighbors etc).some famous events are

- Whaga Border Trip
- Lahore Basant Trip

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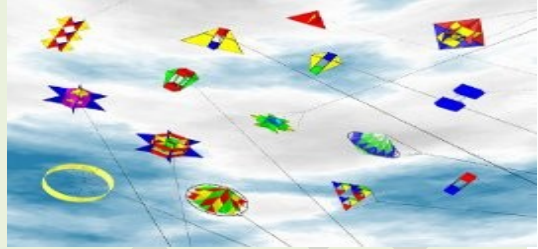
- Lahore Basant trip

The basic purpose behind this to spread the bank name and create the both awareness and image among the people word of mouth is so much beneficial for the Bal because it reduces the cost of advertisement and the bank got recognition in free cost and generate the creditability among the people and remove the rumors.

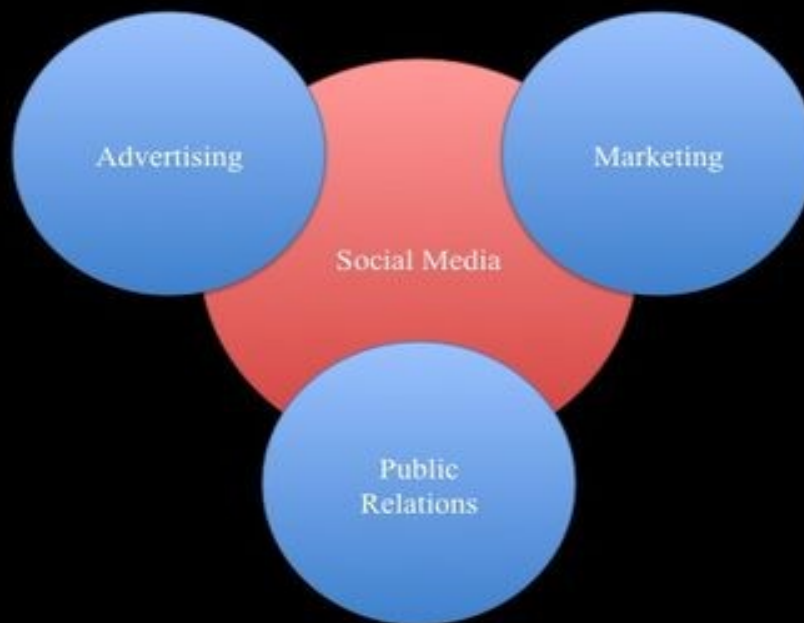
INTEGRATED MARKETING COMMUNICATION (IMC)

New Integrated Communication Model

Advertising

Marketing

Social Media

Public Relations

IMC

❖Advertising

It is a non personal presentation in paid form to introduce a product or service idea

They use the following tools for advertising.

- **TVC**

  BAL uses more TVC as compared to its competitors. They choose those channels for advertisement where its target customers exist. They mostly choose those spots for TVC at peak hours in between the News. And special in the cricket matches. The TV channels it chooses for advertise are Sports channels like Ten Sports, and others like PTV, GEO, ATV, ARY, etc.

- **News Paper**

  BAL uses leading newspapers that are read by the business class and the family heads. They mostly gave there advertisement mostly on Jung, Dawn, The News, The Nation, etc.

- **Journals**

BAL used these journals to promote their name,

DAWN, STAR, SPORTS

- **Magazines**

BAL used these magazines to promote there activities.

Aurora

- **Flyers**

  Mostly these are using when there open a new branch in a new city or a new a scheme or product/service is introduced. Then these are used at a large scale at the chowks, squares; out side the shopping malls, Liberty, Pace, Super Jinnah, Blue Area, Karachi company stop, Tariq road etc.

➢**Billboards**

This is an important source of advertisement. BAL uses this only those places that have great importance for the business class or where mostly multinationals companies have offices and the traffic spots like Mall road, DHA, Lahore Cantt, Barkat Market, Davis Road, LDA Plaza, and Peshawar Morr.

➢**Hooding**

These are like billboards but large in size than billboards same they are using in few places in the big cities at important places like near big flyovers, squares, big buildings, etc

Source of Brand Equity:

Brand equity is willingness for someone to continue to purchase your brand about my product of Bank Alfalah. We discuss how our products attained the sources of brand Equity.

❖**Authenticity**

BAL is providing best services to its customers. it is there service of quality that with in nine years of there working they become the largest branch holder with in private banks. It represents there progress.

❖**Consistency**

BAL improving its products/services with the passage of time. They provide all the customized products/services that are needed by the low/medium level income. All

Types of banking are available in all the branches. They did not give any chance to his competitor to over come there weakness.

❖**Reassurance**

BAL always created a true faith among their customers by giving different fatalities to there customers (WOL, WARID post paid connections).and making good relation ship by sponsoring different events (Basant Mela, Jashan-e-Baharian), social gathering, fairs on different occasions collection for earth quake victims, etc

❖**Differentiation**

The unique point that make different BAL from other banks is that they use penetrating marketing strategy instead of skimming, they focused on that segment which is mostly ignored by others banks. They provide all the banking facilities (car, credit cards, debit cards, ATM cards, Home loans, Agriculture loans, study loans, etc) to a normal income person now layman can enjoy all the facilities that he only desires. They become so popular in banking sector that the really proof there slogan “Caring Bank”. The most prominent point is that there name is spreading through word of mouth. So they needed less advertisement as compared to other banks.

Transformation of Experience

Levels of Brand Awareness and Image

Brand Awareness:

Brand awareness is related to strength of brand node or trace in memory, as reflected by consumer ability to identify the brand under different conditions. It is necessary but not always sufficient in building brand equity.

Consequences of Awareness:

Learning:

Bank Alfalah created his node as a caring bank providing all the facilities to those segments where the people see dreams but not able to fulfill them bank Alfalah made them

Consideration:

How BAL positioned in the consideration set of the people. The BAL makes it easy to get all those things which people required in easy manner. Like his different products and

Services to the consumers if you want a car you simply go and fulfill the formality and get it at the same time rather you have to passed a long procedures. In his recently add. BAL show its all offers in appearing through one window. This makes the BAL in the consideration set of consumer mind.

Choice:

Choice advantage is depending upon on two things.

- Purchase Motivation.
- Purchase ability.

In the motivation field we persuade or give an emotional touch with the consumers. BAL gave this touch with his different slogans and campaigns. In credits cards they use the slogans "I m the person with all solutions" in Sports they use "where there is sports there is Alfalah". Recently the collect the funds for the earth victims.

On the other hand purchase ability towards BAL products/services emphases on the peoples who have lack of knowledge about the product/services that was created through the promotional campaigns .advertisements in those channel where the target user are interested like during sports(cricket, golf, etc).

How to build brand awareness:

Brand Image:

Brand image is created in the mind of consumers by a specific quality, slogan or brand name so that BAL created high image like

- BAL is the first time use penetration marketing strategy. He focused laymen as well as the upper class.
- A slogan that was used by BAL is "Caring Bank" that became so effective that it create a word of mouth for BAL.
- Using affiliate marketing programmer(WOL,Warid, McDonald's)
- Introduced the Islamic banking In Pakistan

How can be these levels attained (Building a strong brand)?

By building a strong brand these levels can attained by four steps:

Identification:

BAL attained this level by recognition through his Slogan “Caring Bank” .it focused on the layman needs and fulfill it by presenting approachable schemes of products/services.

Brand meaning:

BAL created his meaning by presenting its valuable Products/services and covers the customer perception.

Customer responses:

Customer’s response about the BAL is resulted in increased the no of branches rapidly so that feelings of people about BAL become strong and strong with his efficiency.

Loyalty relationship:

BAL created a strong relationship with the customers. So Al Falah becomes the largest banks that have maximum branches (177) in limited time (1997-2006).

Brand Salience:

- ✓Brand Performance
- ✓Brand Imagery
- ✓Brand Judgment
- ✓Brand Feelings
- ✓Brand Resonance

Positioning of Brand with respect to Competitors

All banks positioned themselves at different u unique edges to positioned in target customer mind following are the positioning edges of various banks

ABN Amro Bank:

They positioned themselves as for high level business and social class. They use the skimming strategy for there growth.

Standard Charted Bank:

They positioned themselves as foreign bank there staff and environment is totally different from the others banks. They also skimmed the market.

United Bank Limited:

They recently merged with bank Alfalah limited.

Allied Bank Limited

Recently got the award of bank of the year. They positioned as old trusty bank and it use a penetration strategy to get its goals.

Bank Alfalah Limited

They positioned as fast growing bank .they used intensive penetration strategy to position them.